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19
UNITED STATES BANKRUPTCY COURT
 20
DISTRICT OF NEVADA

21 In re: USA COMMERCIAL MORTGAGE COMPANY, Debtor.	22 Case No. BK-S-06-10725 LBR Case No. BK-S-06-10726 LBR Case No. BK-S-06-10727 LBR Case No. BK-S-06-10728 LBR Case No. BK-S-06-10729 LBR
23 In re: USA CAPITAL REALTY ADVISORS, LLC, Debtor.	24 Chapter 11 Jointly Administered Under Case No. BK-S-06-10725 LBR
25 In re: USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC, Debtor.	26
27 In re: USA CAPITAL FIRST TRUST DEED FUND, LLC, Debtor.	28
29 In re: USA SECURITIES, LLC, Debtor.	30
31 Affects: <input checked="" type="checkbox"/> All Debtors <input type="checkbox"/> USA Commercial Mortgage Company <input type="checkbox"/> USA Securities, LLC <input type="checkbox"/> USA Capital Realty Advisors, LLC <input type="checkbox"/> USA Capital Diversified Trust Deed Fund, LLC <input type="checkbox"/> USA Capital First Trust Deed Fund, LLC	32 EX PARTE APPLICATION FOR ORDER SHORTENING TIME TO HEAR MOTION FOR ORDER SCHEDULING AN AUCTION FOR THE SALE OF CERTAIN ASSETS, APPOINTING SPCP GROUP, LLC, AS LEAD BIDDER, AND APPROVING BID PROCEDURES AND PROTECTIONS (AFFECTS ALL DEBTORS) Date: OST PENDING Time: OST PENDING

1 USA Commercial Mortgage Company (“USACM”), on behalf of itself and its affiliated
 2 debtors, which are USA Securities, LLC (“Securities”), USA Capital Realty Advisors, LLC
 3 (“Realty”), USA Capital Diversified Trust Deed Fund, LLC (“Diversified Fund”), and USA
 4 Capital First Trust Deed Fund, LLC (“First Deed Fund”) (collectively, the “Debtors”), hereby
 5 moves the Court for an order shortening time to hear the Motion For Order Scheduling An
 6 Auction For The Sale Of Certain Assets, Appointing SPCP Group, LLC, As Lead Bidder, And
 7 Approving Bid Procedures And Protections. In support of this Motion, Debtors represent as
 8 follows:

9 1. A Motion For Order Scheduling An Auction For The Sale of Certain Assets,
 10 Appointing SPCP Group, LLC, As Lead Bidder, And Approving Bid Procedures And Protections
 11 (the "Motion") was filed on September 22, 2006, by Schwartzer & McPherson Law Firm,
 12 attorneys for USA Commercial Mortgage Company, USA Securities, LLC, USA Capital Realty
 13 Advisors, LLC, USA Capital Diversified Trust Deed Fund, LLC, and USA Capital First Trust
 14 Deed Fund, LLC, the Debtors and Debtors-in-Possession (collectively, the “Debtors”). The
 15 Debtors request that the Court enter an order granting the Motion and:

16 A. Approving the Bid Procedures (attached to the Motion as Exhibit A)
 17 and thereby authorizing the Debtors, among other things, to: (i) establish
 18 minimum qualifications for potential bidders to participate in an auction
 19 process for the sale of USA Capital First Trust Deed Fund’s (“FTD Fund”)
 20 ownership interest as a direct lender in 47 specifically identified loans, for a
 21 proposed purchase price of \$46.5 million, subject to certain adjustments and
 22 conditions as stated in the Offer Letter (which is attached as Exhibit B to
 23 the Motion), and USA Commercial Mortgage’s servicing rights in 80
 24 specifically identified loans, including rights to collect servicing fees and
 25 other fees as specified in the Offer Letter, for a proposed purchase price of
 26 one-half of the first \$1 million in servicing fees to be collected by the
 27 purchaser, as well as certain upside sharing and other consideration, as more
 28 specifically described in the Offer Letter (the “Property”), (ii) conduct an
 in-Court auction to obtain the highest and best offer for the Property, and
 (iii) determine, along with the Official Committee of Unsecured Creditors
 of USA Commercial Mortgage and the Official Committee of Equity
 Security Holders of USA Capital First Trust Deed Fund, LLC, the highest
 and otherwise best bid for the Property (the “Successful Bid”).

27 B. Approving SPCP Group, LLC as the “stalking horse” bidder for the
 28 Property, and authorizing the Debtors to pay to the SPCP Group, LLC:

(i) a break-up fee in the amount of \$1.5 million (the “Break-Up Fee”), payable under certain circumstances as more particularly detailed in the Offer Letter and summarized in the Motion, which Break-Up Fee shall be reduced by the amount of the Expense Reimbursement (see as follows) actually paid to the SPCP Group, LLC, and (ii) an expense reimbursement which shall be limited to a maximum amount of actual and reasonable expenses incurred by SPCP Group, LLC not to exceed \$500,000 (the “Expense Reimbursement”), payable under certain circumstances as more particularly detailed in the Offer Letter.

C. Scheduling an auction (the “Auction”) in accordance with the Bid Procedures in order to identify the “Successful Bid” and the “Next Highest Bid” (as defined in the Bid Procedures) for the Property and approving the form of sale notice for the Auction.

10 2. The Debtors request that the hearing on the Motion be set for a hearing for October
11 19, 2006. A Notice Of Hearing was filed with this Court on September 26, 2006 and noticed to
12 interested parties setting the hearing on October 19, 2006 at 9:30 a.m. Due to a clerical error, the
13 deadline to notice the Motion was miscalculated, and interested parties were given only 22 days
14 notice instead of 25 days. It is necessary to have this Motion to establish bid procedures heard by
15 this date so that the other time frames and deadlines regarding this case are not adversely affected.

3. Notice can be shortened pursuant to Bankruptcy Rule 9006(c)(1) and LR 9006(a).

Dated: September 27, 2006.

/s/ Jeanette E. McPherson

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